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## FISCAL IMPACT REPORT

SPONSOR Leavell ORIGINAL DATE 1/27/07  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Workers Comp Calculations for Impairment SB 153  
ANALYST Lucero

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>	N/A	N/A	N/A			N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Workers' Compensation Administration (WCA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 153 proposes to limit benefits for loss of use to medical based findings contained in the American Medical Association's Guides to the Evaluation of Permanent Impairment. Essentially removes subjective assignment of a loss of use percentage by a workers' compensation judge (WCJ).

### FISCAL IMPLICATIONS

None to the Workers' Compensation Administration.

### SIGNIFICANT ISSUES

SB0153 does not provide a date for which the proposed amendment would be effective. It is unclear if all injury cases would have to be re-evaluated or just those occurring after the bill has been signed and become law. Some states specify in statute an effective date for the use of the Guides to the Evaluation of Permanent Impairment.

Use of the AMA guide may reduce loss of use claims from the workers' compensation system in New Mexico, which may limit the amount of compensation paid to a worker for impairment as determined by the authorized health care provider.

The bill may create a potential conflict since it is only amending the section of the Act pertaining to partial loss of use (Section B).

The use of the AMA guide would improve fiscal predictability for benefits paid.

**PERFORMANCE IMPLICATIONS**

None to the Workers' Compensation Administration.

**ADMINISTRATIVE IMPLICATIONS**

None to the Workers' Compensation Administration.

**TECHNICAL ISSUES**

American Medical Association's (AMA) *Guides to the Evaluation of Permanent Impairment* is among the most widely accepted system of rating permanent impairment.

The AMA guidelines are comprehensive and provide a system of rating impairment that includes a wide range of conditions. The guidelines provide an objective and reliable system of rating permanent impairment.

**OTHER SUBSTANTIVE ISSUES**

The Workers' Compensation Advisory Council has approved this bill.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

DL/nt